

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0302296

SINGLE SIGNATURE P-4 FILING OF ASANTE OPERATING COMPANY, LLC (OP. NO. 033877) TO TRANSFER THE OPERATOR OF RECORD FOR THE SNEED (03131) LEASE, WELL NOS. 1, 2, 3, 6, 7 AND 8, BUCHANAN FIELD, CALDWELL COUNTY, TEXAS, FROM EAGLE FORD OIL CO., INC. (OP. NO. 238351) TO ASANTE OPERATING COMPANY, LLC.

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the prior operator of the captioned lease did not respond and the docket proceeded as a default. The proceeding having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. At least ten days notice was given to Eagle Ford Oil Co., Inc. ("Eagle Ford") (Operator No. 238351) and Asante Operating Company, LLC ("Asante") (Operator No. 033877). By letter dated November 16, 2016, Eagle Ford was afforded the opportunity to submit evidence of a continuing right to operate the subject lease and wells or request a hearing on the matter by December 16, 2016. Eagle Ford did neither.
2. By Form P-4 dated October 25, 2016, Asante requested transfer of the Certificate of Compliance and Transportation Authority for the Sneed (ID# 03131) Lease, Well Nos. 1, 2, 3, 6, 7 and 8, Buchanan Field, Caldwell County, Texas, from Eagle Ford to Asante.
3. By failing to respond to notice and opportunity for hearing, Eagle Ford chose to rely on informal disposition of the docket pursuant to Tex. Gov't Code §§2001.056 and 2001.062(e).
4. Eagle Ford's Form P-5 is in Delinquent status. Eagle Ford tendered financial security with the Commission in the form of a \$250,000 cash deposit, which expired March 1, 2015.
5. Asante has a current, active Form P-5 with sufficient financial assurance to acquire the lease and wells in dispute. Asante has filed a \$50,000 Bond with the Commission as financial assurance, which will expire on August 1, 2017.
6. The subject Commission-recognized lease, the Sneed (03131) Lease, Well Nos. 1, 2, 3, 6, 7 and 8, has not reported production since October 2014. The lease is currently severed.

7. A “good faith claim” is defined in Commission Statewide Rule 15(a)(5) as “A factually supported claim based on a recognized legal theory to a continuing possessory right in the mineral estate, such as evidence of a currently valid oil and gas lease or a recorded deed conveying a fee interest in the mineral estate.”
8. Asante’s good faith claim to operate the Sneed (03131) Lease is an Oil and Gas Lease dated October 20, 2016, which has a two-year primary term and a signature date of October 22, 2016.
9. The current operator, Eagle Ford, did not present a “good faith claim” to operate the Sneed (03131) Lease, and did not respond to an November 16, 2016 Commission letter requesting that it either provide a good faith claim to operate the subject lease or request a hearing.

CONCLUSIONS OF LAW

1. Proper notice of hearing was timely issued to appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. The current Commission-recognized operator, Eagle Ford Oil Co., Inc. (Op. No. 238351), of the Sneed (03131) Lease, Well Nos. 1, 2, 3, 6, 7 and 8, did not present a good faith claim to operate the subject lease and wells.
4. Eagle Ford Oil Co., Inc. did not contest the P-4 transfer of the subject lease and wells.
5. Asante Operating Company (Op. No. 033877) has demonstrated a “Good Faith Claim” to operate the Sneed (03131) Lease, Well Nos. 1, 2, 3, 6, 7 and 8.

IT IS THEREFORE ORDERED that the application of Asante Operating Company. (Operator No. 033877) for the Form P-4 “Certificate of Compliance and Transportation Authority” for the Sneed (03131) Lease, Well Nos. 1, 2, 3, 6, 7 and 8, Buchanan Field, Caldwell County, Texas, is hereby **APPROVED**.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission’s Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov’t Code §2001.142, by agreement under Tex. Gov’t Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov’t Code §2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov’t Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date the Commission Order is signed.

All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 24th day of January, 2017, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
HD Unprotected Master Order dated
January 24, 2017)**